

**Before the
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

Docket No. _____

In re:

**Joint Application of Birch
Communications, Inc. and Birch
Telecom of the South, Inc. for
Approval of Corporate
Restructuring**

DIRECT TESTIMONY OF

GORDON P. WILLIAMS, JR.

on behalf of

Birch Communications, Inc. and Birch Telecom of the South, Inc.

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**DIRECT TESTIMONY OF GORDON P. WILLIAMS, JR.
on behalf of Birch Communications, Inc. and Birch Telecom of the South, Inc.**

Q. Please state your name, title, and address.

A. My name is Gordon P. Williams, Jr. I am the Senior Vice President, Secretary and General Counsel, for Birch Communications, Inc. ("Birch") and its subsidiary Birch Telecom of the South, Inc. ("Birch Telecom"). My business address is 320 Interstate North Parkway SE, Atlanta, GA 30339.

Q. Please describe your work experience.

A. Prior to joining Birch in July 2016, I served as counsel to public and private global companies both in a general counsel role and in private practice. I have held previous roles in the communications industry such as at Broadwing Communications, Wayport and MCI. Most recently, I served as a partner at Culhane Meadows, PLLC. I am a graduate of the University of Richmond with a bachelor's degree in Psychology and hold a Juris Doctorate from the University of Richmond's School of Law.

Q. What is the purpose of your testimony?

A. The purpose of this testimony is to provide information regarding the Joint Application of Birch Communications, Inc. and Birch Telecom of the South, Inc. for Approval of Corporate Restructuring (“Joint Application”).

Q. Have you reviewed the Joint Application?

A. Yes, I have reviewed the Joint Application.

Q. Are all of the statements in the Joint Application true and correct to the best of your information, knowledge, and belief?

A. Yes. The statements in the Joint Application are true and correct to the best of my information, knowledge, and belief.

Q. Do you wish to incorporate by reference any documents into this testimony?

A. I wish to incorporate by reference the Joint Application of Birch Communications, Inc. and Birch Telecom of the South, Inc. for Approval of Corporate Restructuring (“Joint Application”).

Q. Who are the Applicants?

A. Birch Communications, Inc. (“Birch”) and Birch Telecom of the South, Inc. (“Birch Telecom”) (Birch and Birch Telecom collectively, the “Joint Applicants”).

Q. Briefly describe the Joint Applicants.

A. Birch is a Georgia corporation with headquarters located at 320 Interstate North Parkway SE, Atlanta, GA 30339. Birch, formerly known as Access Integrated Networks, Inc., was granted authority to provide local and long-distance telecommunications services in South Carolina by Order No. 1999-801 issued November 15, 1999, in Docket No. 1999-323-C. On December 18, 2008, the Commission issued Order No. 2008-824

approving Access Integrated Networks, Inc.'s request to change its name to "Birch Communications, Inc." Birch recently converted to a limited liability company ("LLC") in its home state of Georgia effective December 30, 2017. Birch is in the process of amending its registration with the South Carolina Secretary of State from registration as a foreign corporation to registration as a foreign LLC.

Birch Telecom is a Delaware corporation with headquarters located at 320 Interstate North Parkway SE, Atlanta, GA 30339. Birch Telecom is authorized by the Commission to provide local exchange and interexchange telecommunications services in South Carolina by Order No. 2000-792 issued September 25, 2000, in Docket No. 2000-0265-C. Birch Telecom is a wholly owned subsidiary of Birch. Birch Telecom recently converted to a limited liability company ("LLC") in its home state of Delaware effective December 30, 2017. Birch Telecom is in the process of amending its registration with the South Carolina Secretary of State from registration as a foreign corporation to registration as a foreign LLC.

Q. Whom do you represent?

A. I represent Birch and Birch Telecom.

Q. What authority is requested by the Joint Application?

A. The Joint Applicants respectfully request authority to undertake an internal corporate reorganization, which will result in the transfer of certain assets and customers from Birch to Birch Telecom, and from Birch Telecom to Birch. Joint Applicants also request, to the extent required, that the Commission waive any applicable anti-slamming regulations. Because of the timing of the transaction and the proposed target date for

completion of the internal reorganization, the Joint Applicants further request that the Commission grant the relief requested herein on an expedited basis.

Q. Please describe the proposed internal corporate reorganization.

A. Birch and Birch Telecom plan to implement an internal corporate reorganization to segregate their residential and single-line business customers from their large business and cloud service customers with Birch Telecom serving the residential and single-line business customers and Birch serving the large business and cloud service customers.

To accomplish the internal reorganization, any residential and single-line business customers currently served by Birch in South Carolina will be assigned to Birch Telecom. Similarly, any large business and cloud service customers currently served by Birch Telecom in South Carolina will be assigned to Birch.

Q. Are there other transactions related to the internal reorganization?

A. Yes. On November 30, 2017, BCHI Holdings, LLC, Birch, Fusion Telecommunications International, Inc., and Network Billing Systems, LLC filed a joint notice with the Commission regarding a transaction that will result in a material change to the ownership and control of Network Billing Systems, LLC (the “Fusion Transaction”). The internal reorganization will occur concurrently with the Fusion Transaction.

Birch Telecom will be spun-off to a newly formed holding company, Lingo Communications, LLC (“Lingo”), which will be owned by the existing owners of Birch and Birch Telecom. The reorganization will be entirely pro forma – both prior to and following the Fusion Transaction - as the same Birch shareholders will, at all times, hold a controlling interest in both Birch and Birch Telecom.

Q. What impact will this reorganization have on South Carolina customers?

A. The reorganization will be transparent to customers of both Birch and Birch Telecom. Both companies currently operate under the “Birch Communications” name, and customers will continue to receive service from “Birch Communications” in the same way they receive service today. Further, Birch Telecom and Birch will file any necessary tariff revisions to incorporate each other’s current services and rates so that affected customers will continue to receive the same services that they currently receive without any immediate changes to their service offerings or rates.

Q. Is the proposed reorganization in the public interest?

A. Yes. Grant of the Joint Application is consistent with the public interest in South Carolina. The proposed reorganization furthers the public interest, convenience, and necessity as it will advance economic efficiency by enabling the Joint Applicants to expand their businesses and achieve economies of scale. These benefits are expected to strengthen both companies’ ability to expand their service offerings to a broader customer base. The reorganization will facilitate a division of operations, enabling Birch to focus upon delivery of business and cloud services while Birch Telecom will focus on serving consumer and smaller business customers. The reorganization also will enable the Joint Applicants to strengthen their competitive position to the benefit of consumers and the telecommunications marketplace in South Carolina.

Q. Is customer notice required for the internal corporate reorganization?

A. No. All customers of Birch and Birch Telecom will continue to receive the same services as before, at the same rates, terms and conditions. While the reorganization may

involve a change to the specific operating company providing these services, this change will be invisible to customers, as both Birch and Birch Telecom operate under the Birch Communications name. South Carolina customers understand Birch Communications is their carrier today. After the reorganization, Birch Communications will be their provider. Sending a notice to these customers, explaining that their carrier is changing - in effect, that they are being moved from Birch Communications to Birch Communications – and that nothing about their services is changing, would be confusing and serve no beneficial purpose for the customers. I understand the Federal Communications Commission (“FCC”) has found giving customer notice in this type of transaction might cause confusion where there would otherwise be none.

We are requesting, to the extent necessary, that the Commission grant a waiver of its anti-slamming regulations. A waiver is appropriate in this case given there is no change in provider from the customer perspective.

Q. Why have the Joint Applicants requested expedited treatment of the Application?

A. Joint Applicants request the Commission process the Joint Application on an expedited basis. Expedited treatment is warranted so that the internal reorganization may occur with a minimum of disruption and confusion to customers, and so the reorganization may occur on a company-wide basis. Expedited approval will help the Joint Applicants to proceed in an orderly and seamless fashion.

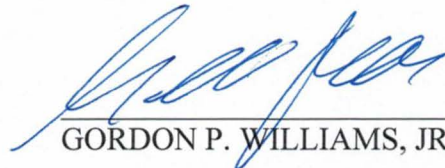
Q. Does this conclude your testimony?

A. Yes.


STATE OF GEORGIA)
)
COUNTY OF COBB)

VERIFICATION

I, Gordon P. Williams, Jr., declare that I am the Senior Vice President, Secretary and General Counsel, for Birch Communications, Inc. ("Birch") and its subsidiary Birch Telecom of the South, Inc. ("Birch Telecom"). I verify that, based upon information and belief, I have knowledge of the statements in the foregoing Direct Testimony, and I declare that they are true and correct to the best of my knowledge, information and belief.


GORDON P. WILLIAMS, JR.

Subscribed and sworn to before me this 23rd day of January, 2018.


Notary Public
Expiration Date: August 10, 2021

